

# City of Flagstaff Employer Assisted Housing Program For Sworn Flagstaff Police Officers & Dispatch Personnel

## Overview

City of Flagstaff will provide up to \$7,000 per household to eligible households to be used for down payment and/or closing costs on the purchase of a home. Funds are matching funds – assistance will match buyer contribution on a dollar for dollar basis. \$1 of buyer funds will be matched with \$1 of EAH Program funds, up to a total of \$7,000 per household. Assistance is a loan – secured with a promissory note and recorded deed of trust. Funds are forgiven over 7 years if you (1) owner-occupy your home and (2) remain employed with the City of Flagstaff.

## Eligibility

- To be eligible at least one homebuyer per household must be employed by the City of Flagstaff as (1) dispatch personnel or (2) sworn law enforcement officers.
- Eligible buyers must meet employment guidelines and have worked for the City of Flagstaff in an eligible employment position for a minimum of 12 months. In addition, sworn officers must have successfully completed the Police Academy and no longer be on probation.
- Eligible Buyers must not have owned a home within the Flagstaff Metropolitan Planning Organization (FMPO) boundary within the last three years.
- Eligible Buyers must complete the online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract – cost of the class and credit report are paid for through the EAH program. There is no cost to the employee for these services.
- Eligible Buyers must occupy the home purchased with EAH funds as their principal place of residence.
- Eligible buyers are one employee per household.
- Home to be purchased must be located within a prescribed area of Flagstaff. The prescribed area shall be defined as a 12-mile radius from City Hall or 35 miles eastbound, westbound and southbound from the I-17 and I-40 exchanges with a five mile wide corridor (2 ½ miles on each side). Eligible housing types include single family detached, townhouses, and condominiums. Manufactured homes that meet FHA requirements and that are permanently affixed to and purchased with real property are eligible.
- Home purchase price may not exceed 125% of the FHA 203(b) mortgage insurance limit for Coconino County. Currently the maximum purchase price for this program (as defined above) is \$425,812.50. Limit may change based on changes to HUD guidelines.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Although the Agency and the City of Flagstaff highly recommend buyers obtain a professional, impartial third-party home inspection by a licensed inspector, this is not a requirement of the program. However, the buyer will sign a Hold Harmless agreement at the time of purchase, ensuring they will not hold Housing Solutions of N. Arizona or the City of Flagstaff responsible for the condition of the home.



## Assistance Details

- Housing Solutions will determine household eligibility, complete one-on-one homebuyer counseling, and administer funds on behalf of the City of Flagstaff at time of purchase.
- Housing Solutions staff will verify buyer funds toward the purchase of the home – buyer funds must be “seasoned” client contribution– they can be documented as buyer assets for a minimum of three months- or gift funds from an immediate family member.
- Assistance is a dollar-for-dollar match of buyer funds toward home purchase up to a total of \$7,000 in buyer funds can be matched with up to \$7,000 in EAH assistance.
- EAH assistance is a loan – it is secured with a promissory note and recorded deed of trust.
- There are no payments and no interest on the loan.
- The loan is forgiven on a pro rata basis over a seven year period.
- Funds will be repaid to the City of Flagstaff if any of the following occur before the end of the seven year period:
  - Sale of home or change of title.
  - Refinance to access equity in the home.
  - Employment with City of Flagstaff is terminated for any reason.
  - Home is no longer owner-occupied.
- Households must secure a first mortgage through a bank or traditional mortgage lender.
- First mortgage must be a 30-year, fixed-rate loan.
- In order to ensure the home is sustainable, the household’s housing ratio cannot exceed 35% and the total debt-to-income ratio cannot exceed 45% (exceptions for compensating factors may be granted with HAP Committee approval ).

## Assistance Process

- Employee completes Housing Solutions application, gathers necessary documentation to verify income, assets, household size and employment eligibility.
- One-on-one counseling session is scheduled and completed with Housing Solutions housing counselor. Free credit report will be provided for all borrowers on the loan (as part of the program).
- Employee completes online pre-purchase homebuyer education – free of charge to employee with discount code.
- When employee is home-purchase ready, he/she would get pre-qualified with a lender for a first mortgage and shop for a home.
- When the employee has an accepted purchase contract, a copy of the purchase contract is provided to Housing Solutions housing counselor, who will work with the lender, Realtor, title company and employee to officially approve employee for financial assistance and reserve funds.
- At closing, Housing Solutions prepares loan documents for the assistance and provides funding to the title company.

## Questions?

Please call Marie or Devonna at Housing Solutions of N. Arizona at (928) 214-7456. You can also reach us at [mariea@housingnaz.org](mailto:mariea@housingnaz.org) or [devonnam@housingnaz.org](mailto:devonnam@housingnaz.org).

Housing Solutions of N. Arizona is a nonprofit HUD-approved housing counseling agency with 16 years’ experience in providing down payment and closing cost assistance to first-time homebuyers.

